GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:2701
ANSWERED ON:16.12.2004
SHORTFALL IN RAILWAY PENSION FUND
Madhwaraj Smt. Manorama

Will the Minister of RAILWAYS be pleased to state:

(a) whether the Rakesh Mohan Committee had estimated a shortfall in appropriation to the Railway Pension Fund to the tune of more than Rs. 40,000 crores by 2000;

(b) if so, whether the Railways have been appropriating funds as per actual of calculations to meet the pensionary charges; and

(c) if so, the details of the zonal railways having adverse debit balance in Pension Fund?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI R. VELU)

(a) to (c): A Statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF UNSTARRED QUESTION NO. 2701 BY SHRIMATI MANORAMA MADHAVARAJ TO BE ANSWERED IN LOK SABHA ON 16.12.2004 ON SHORTFALL IN RAILWAY PENSION FUND.

(a): Rakesh Mohan Committee has estimated the pension liabilities to past employees and future liabilities to current employees in respect of their pensions entitlements accrued for past service as on 30th April 2000, to be Rs. 40,000 Crores. The Committee had commented that this does not mean the amount is needed immediately − rather this is the cash sum, which if invested at that time would be sufficient to meet those accrued liabilities as they fall due.

(b): When the Pension Fund was set up in 1964, it was preceded by calculations by the Government Actuary. Thereafter, actuarial calculations were done in 1974. However, the appropriations to the Pension Fund are being done out of operating surplus on 'Pay as you go' basis.

(c): The following zonal railways are having adverse balances as on 31.3.2004 in the Pension Fund:

1. Central

2. Eastern

3. Northern

4. North Eastern

5. Southern
6. South Central

7 South Western.